



ANTONIO R. VILLARAIGOSA  
MAYOR

January 23, 2008

Honorable Sheila Kuehl  
Chair, Senate Health Committee  
California State Senate  
State Capitol, Room 5108  
Sacramento, CA 95814

Dear Senator Kuehl and Committee Members:

I write to you as a strong supporter of universal health care. As you know, throughout my career, particularly during my time in the Assembly, I have had a long history of advocacy for single-payer policy proposals and far-reaching health care coverage for all Californians.

As a strong supporter of a truly universal health care system, I write to urge you to support AB1x (Nunez) as a significant strategic step toward our shared goal. I strongly believe that health reform need not be an "either/or" situation, and that supporting the reforms of AB1x is not inconsistent at all with being a whole-hearted supporter of SB 840 and single-payer health care.

I believe that AB1x not only will do no harm — your appropriate minimum test for health legislation — but will do a great deal of good and benefit millions of Californians.

Moreover, I believe that passage and enactment of AB1x will be a strategic advance for the cause of single-payer health care because it will establish public programs that are the foundation of universal coverage, including a single-payer system.

AB1x embodies policy elements of single-payer health care. Passage of this law would make it easier to enact truly universal coverage and to pass a single-payer system in the future, since it already includes:

- a major expansion of public program coverage to moderate-income Californians as well as low-income residents, setting the stage for single-payer and similar universal coverage reforms;

- the setting of a minimum employer contribution to health care, which is essential to funding universal coverage and an important part of the financing for SB 840;
- the creation of a statewide purchasing pool that could be the beginning of a huge purchasing pool that could grow into a single universal system; and
- an increase in Medi-Cal rates, helping providers realize that rates could be reasonable under a public program such as a single-payer system.

It also includes additional oversight over insurers. While some have critiqued the notion of preserving the role of insurers, the proposal would significantly change the way insurers do business, including having to take all customers "guaranteed issue," and having to negotiate with a large purchasing pool to access millions of California customers. The proposal creates a framework where insurers will either have to change their behavior, or face future reforms that place further oversight on them, if not replace their function.

AB1x does not undertake the massive transformation of the health care system that SB 840 proposes, but it accomplishes important elements while providing security to those who have good coverage and want to keep it, and creates the framework to take extra steps. Just as passage of family leave legislation created a framework to return to the issue and pass paid family leave, I believe this proposal creates political and policy tools to advance broader reforms.

Some fear that passage of any plan would stall the coming of SB 840, and our leaders would believe the issues had been resolved. I believe that the opposite is true. Failure begets failure, and if health reform is stalled now, elected leaders will be discouraged from supporting any reforms of our health system (and certainly more far-reaching proposals like single-payer). They will move on to other issues.

On the other hand, success brings success: passage and enactment of such a proposal would create a positive environment surrounding health care reform, as elected leaders will continually seek to raise the bar above the last reform. The people of California are not satisfied with the health care system as it is, and they will want to see it change further to become a health care system worthy of our country and our state.

The comparison of AB1x should not be with SB 840, which I agree is a "gold standard," but with the status quo in health care, where millions are uninsured, people are denied because of "pre-existing conditions," low- and moderate-income families pay uncapped premiums and unlimited liability, and the situation continues to worsen. AB1x does not provide every protection we want to see in our health care system, but it provides protections that currently do not exist at all:

- it dramatically expands and assures coverage to increasingly desperate families and individuals;
- it offers protection against the unaffordability of health insurance premiums;
- it establishes strong oversight of insurers; and

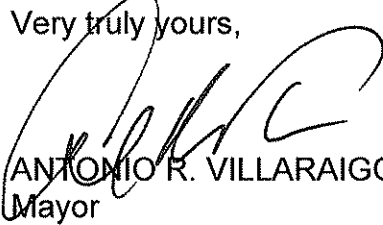
- it strengthens health care access of insured and uninsured Californians alike by more adequately funding health care providers, especially hospitals, whose current underpayment threatens their ability to provide emergency services for anyone and their willingness to serve low-income patients.

Under AB1x, there are millions of people, particularly those with low and moderate incomes, who would get substantial help in receiving the care and coverage they need. We have a moral obligation to meet their pressing needs. Additionally, the more we can reduce the number of uninsured, the shorter the gap we have to bridge to get to universal coverage and a single-payer system. AB1x provides a solid foundation on which we can and will continue to advance additional health care reforms.

I will continue to be very active in support of truly universal coverage, but I urge you to consider the strategic steps needed to win ultimate victory.

Thank you for your leadership and your hard work on behalf of the people of Los Angeles, and for your vigilance on this critical issue.

Very truly yours,



ANTONIO R. VILLARAIGOSA  
Mayor

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cc: Honorable Members, Senate Health Committee